

# Sandler O'Neill Global Exchange & Brokerage Conference

June 4, 2014



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FXCM undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

**Non-GAAP Financial Measures:** This presentation presents certain non-GAAP financial measures. These measures should not be considered in isolation from, or as a substitute for, measures prepared in accordance with generally accepted accounting principles. See the appendix to this presentation for reconciliations of these non-GAAP financial measures to the most comparable measures calculated and presented in accordance with GAAP.

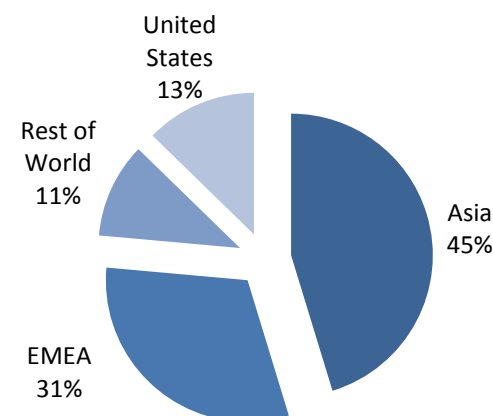
# About FXCM



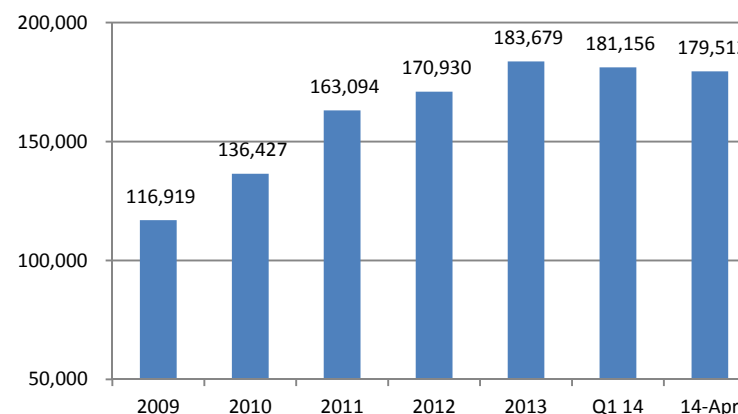
- Founded in 1999 by six Partners
  - Largest retail FX broker in Asia and the U.S.
- Multi-asset class product offering
  - OTC Spot FX, OTC precious metals<sup>(1)</sup>, oil, commodity and equity-index CFD's<sup>(1)(2)</sup>
- Two main revenue streams
  - Retail - agent between retail clients and large FX market makers and earns a spread on trading volume (76% of Q1'14 revenues)
  - Institutional - institutional agency-based business, targeted toward banks, hedge funds, corporations and other institutional money managers (24% of Q1'14 revenue)
- Global reach – content and advertising in 180 countries and 16 languages
- Well-positioned to leverage scale platform to grow client base and expand margins
- FXCM's founders and management own approximately 44% of the business

## Business by Geography (2013)

Volume by Geography



## Total Active Accounts <sup>(3)</sup>



## Public Market and Financial Overview

Share Price (03/31/14)	\$14.77	Company Cash (03/31/14) (\$mm)	\$358
FXCM Inc. Shares O/S (12/31/13) (mm)	45.8	Debt (03/31/14) (\$mm)	\$232
FXCM Holdings Units Fully Exchangeable (03/31/14)	35.9	Adj. Pro Forma EBITDA (\$mm) TTM 03/31/14	\$100
Total Fully Exchanged Shares O/S (03/31/14)	81.8	Market Capitalization Less Net Cash / LTM Adj. Pro Forma EBITDA <sup>(4)</sup>	10.8
Market Capitalization (\$mm)	\$1,208		

(1) Only offered to non-US residents.  
 (2) CFD = Contracts-for-Difference.

(3) Account that has traded at least once in the previous twelve months.

# Our Major Business Segments



FX is a \$5.3 trillion dollar per day market <sup>(1)</sup> that is expected to grow to \$10 trillion by 2020 <sup>(2)</sup>

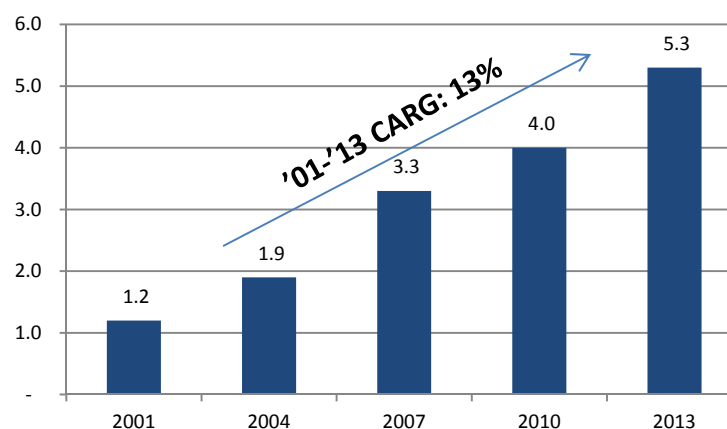
## Retail

- FXCM is one of the largest global retail FX brokers
- Retail FX is the fastest growing segment in FX
  - Large, underpenetrated, fragmented market
  - Represents only ~5-8%<sup>(3)</sup> of total FX volume
- Tighter retail FX regulations reduced competition due to increased barriers to entry
  - 70% reduction in the number of retail FX providers in the U.S. since 2006
- Attractive white label opportunities globally

## Institutional

- FXCM provides an ECN for banks, hedge funds, asset managers and proprietary traders
  - Established institutional platform in 2005
- FXCM has had volume growth of 53% CAGR since 2006 in its institutional business
- June 2012 acquisition of Lucid Markets – leading non-bank market maker in the institutional space
- Internally developed ECN and FastMatch (joint venture with Credit Suisse and Bank of New York) are now doing over half of institutional volume

## FX Trading Volume (\$Bn) <sup>(1)</sup>



(1) BIS Triennial Central Bank Surveys.

(2) Wall Street research estimates.

(3) Company estimate



In addition to a strong and conservative financial profile, FXCM has a compelling business profile which includes:

Superior, Stable, Low Risk Business Model

Cutting Edge Technology Platform

Strong International Presence

Significant Growth Potential

Skilled and Disciplined Acquiror with Leadership Position

Seasoned, Invested Management Team

# Superior, Stable, Low Risk Business Model



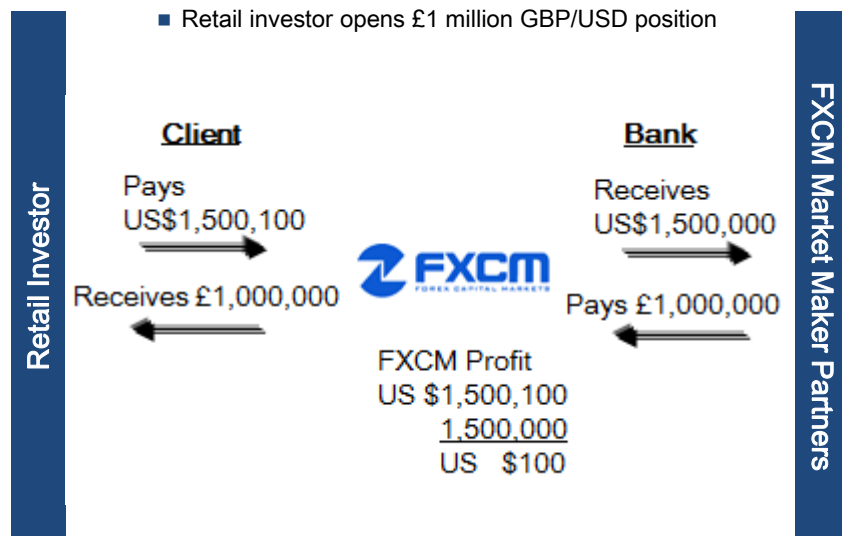
- Dominant business in retail FX is the principal or market making model
  - Subject to principal risk on client trades and greater volatility
  - Capital intensive via greater capital requirements
- FXCM made a strategic decision to adopt agency model in 2007
  - Focus on technology and objective to be venue of choice for best execution
  - FXCM presents best bid / offer from liquidity providers -- representing quotes from 16 of the world largest FX banks / market makers
  - Lower risk business model - FXCM is a riskless intermediary to trades
- FXCM introducing a narrow spread, principal model for smaller clients, while operating within established risk parameters

## Market Maker Relationships



## Trade Flow Process<sup>(1)</sup>

- Retail investor opens £1 million GBP/USD position



## Retail

	FXCM Agency	Principal
1 Pricing	■ Best bid/offer from network of market makers, transparent	■ From Broker
2 Execution	■ Back-to-back with market maker who made price; clients receive positive slippage; no re-quotes	■ Broker, re-quotes on price changes, positive slippage kept by broker
3 Risk	■ All agency trades simultaneously offset with market maker; no market risk	■ Maintain open positions subject to market risk
4 Profits	■ Volume-based fees; not related to client profits/losses	■ Predominantly trading gains against client losses
5 Revenues	■ Stable in low volatility, higher growth in volatile markets	■ Driven up and down by market volatility
6 Client Profile	■ Longer client life, actively pursues and caters to active, profitable traders	■ Shorter client life, higher churn, rejects profitable traders

(1) Based on FXCM quote to client of 1.5001/1 GBP/USD and Bank quote to FXCM of 1.5000/1 and mark-up of \$100 per million USD traded.



# Industry Leading Technology Platform Gives Us a Powerful Competitive Advantage



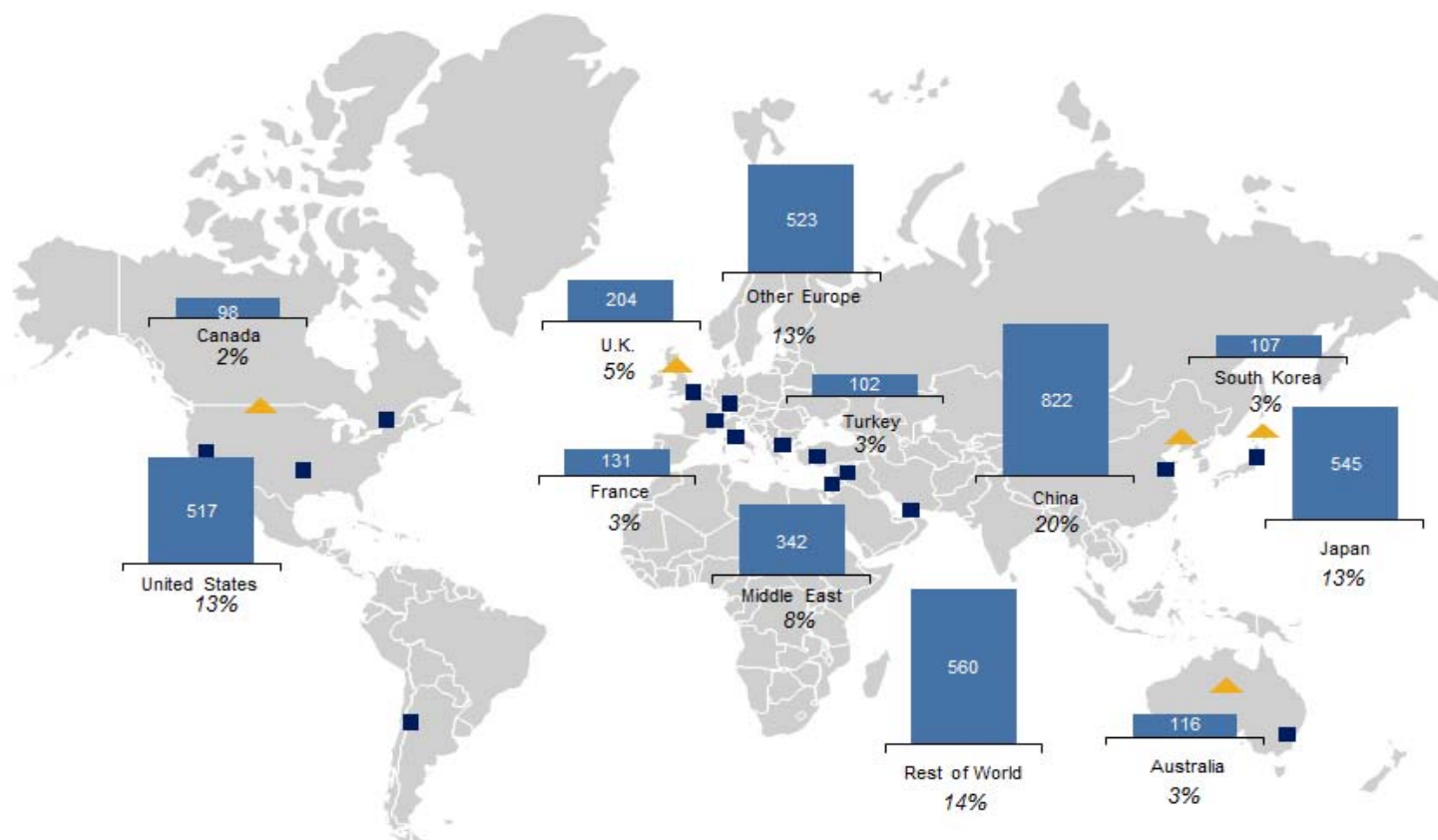
## Competitive Advantage From a Robust Trading Platform

- Our end-to-end trading platform gives us an asymmetrical competitive advantage versus:
  - Our peers in the retail FX world
  - Any new entrants from adjacent spaces
- Single platform used for all markets (unlike other asset classes), leveraging global infrastructure
- Difficult to replicate; significant barriers to entry
- Multiple points where we add unique value
  - Not plug-and-play like equities
  - We do not compete solely on price
- Little additional costs associated with adding White Label partners
  - Even large, sophisticated brokers choose to White Label our platform rather than build their own

## Robust Graphical User Interface



# Retail FX is a Global Market and FXCM has the Global Footprint to Deliver it



- ▲ Regulated Entities**
- Forex Capital Markets LLC (US)
  - Forex Capital Markets LTD (UK)
  - FXCM Securities LTD (UK)
  - FXCM Asia LTD (HK)
  - FXCM Japan (Japan)
  - FXCM Australia LTD (Australia)

- Sales Offices**
- North America**
    - New York, New York
    - Plano, Texas
    - San Francisco, California
  - South America**
    - Santiago, Chile
  - Europe & Middle East**
    - London, United Kingdom
    - Berlin, Germany
    - Paris, France
    - Milan, Italy
    - Athens, Greece
    - Tel-Aviv, Israel
    - Beirut, Lebanon
  - Asia Pacific**
    - Hong Kong, China
    - Tokyo, Japan
    - Sydney, Australia

Note: Percentages represent percentage of total global FXCM retail volume for the year ended 12/31/13.



- **Adjusted Pro Forma revenues<sup>(1)</sup> of \$111.3 million vs. \$122.9 million (Q1/13) and \$107.6 million (Q4/13)**
- **Adjusted Pro Forma EBITDA<sup>(1)</sup> of \$24.6 million vs. \$43.8 million (Q1/13) and \$26.8 million (Q4/13)**
- **Adjusted Pro Forma EPS<sup>(1)</sup> of \$0.07 per diluted share vs. \$0.23 per diluted share (Q1/13) and \$0.10 per diluted share (Q4/13)**
  - Adding back tax-effected amortization and stock based compensation, Adjusted Pro Forma EPS would be \$0.11 vs. \$0.28 (Q1/13) and \$0.15 (Q4/13)
- **GAAP EPS of \$0.05 per diluted share vs. \$0.23 per diluted share (Q1/13) and \$0.08 per diluted share (Q4/13)**
- **Recently acquired V3 added \$4.6 million in revenues and \$4.9 million in operating costs in the quarter, excluding certain one-time items**
- **Retail revenue per million: \$88/million vs \$88/million (Q1/13) and \$93/million (Q4/13)**
  - Institutional revenue per million: \$12/million vs \$12/million (Q1/13) and \$12/million (Q4/13)

## CVIX<sup>(1)</sup>



- CVIX now at lows only seen twice over past 20 years

<sup>(1)</sup> JPMorgan G7 Volatility Index

# Potential Impact of Interest Rates on FXCM



Retail Trading Revenues

Institutional Trading Revenues

Interest Income

Other Income

Total FXCM Revenues

1. As interest rate differentials increase, customers increase their use of carry trade strategies. Potentially net open positions can increase from current ~\$5 billion held over night to much higher levels. FXCM makes a ~25% margin on net interest received and net interest paid

**e.g., \$15 billion \* 1% interest rate differential \* 25% = \$38 million in additional revenues & EBITDA**

2. Volumes increase (and FXCM earns a markup on each trade) as:

- a. Customers initiate positions before the end of each day to earn the carry trade differential
- b. Interest rates are a major input in most FX models. Currently this is minimal, however, as interest rate differentials and movements increase, models will have more of an impact on trading activity

**e.g., 10% higher retail volume than 2013 or 400 billion \* \$90/million = \$36 million in additional revenues**

**e.g., 10% higher institutional volume than 2013 or 200 billion \* \$10/million = \$2 million in additional revenues**

3. FXCM does not pay interest on most customers' accounts. As interest rates rise, FXCM earns greater interest income on it and its customers cash

**e.g., At 3/31/14, FXCM had \$1.6 billion of company cash, customer cash and receivable at brokers, net of floating rate debt \* 1% high interest rate on cash = \$16 million in additional interest income & EBITDA**

## White Label Partnership Opportunities

- Well established white label provider in Asian markets
- Penetrating European white label market for growing retail FX participants
- Recent U.S. client additions include Schwab/optionsXpress unit

## Enhancing Institutional Platform

- Focused on internal development and enhancement of proprietary institutional platform to garner greater market share and drive margin expansion
- Diversify FXCM's retail / institutional mix
- Expand into adjacent markets

## Liberalizing Emerging Markets

- Over half of FXCM's volumes come from emerging markets
- As countries liberalize, FXCM benefits from large account sizes as capital controls are reduced and new currencies are available for all to trade

## Interest Rates

- In 2008, 20% of all revenues came from overnight deposits and interest on customer deposits
- Carry trade returning will have positive impact

# Opportunities for 2014

## Expansion of CFD Platform



- FXCM has been developing an agency CFD offering
  - Already migrated metals business
  
- Expect to launch single share CFDs later this year
  
- With an agency offering together with single share CFDs in product mix, a potentially significant market
  
- Additionally, could drive account growth as Europeans favor single accounts with both FX and CFDs
  
- Size of revenue opportunity in Europe is \$1-2 billion

# Opportunities for 2014

## Broadening of Lucid Offering - V3 Markets



- FXCM concluded purchase of selected assets of Infinium at the end of January
  - 50.1% FXCM and 49.9% Lucid principals
- Over next 6-12 months new operation will combine the algorithmic strategies of Lucid to a broader array of instruments
- Lucid should benefit from having a high speed network
- Still transitioning business as well as reducing expenses – e.g., rent going from \$280K/month to \$30K/month effective May 1st
- For February and March, V3 earned \$4.6M in revenues and had \$4.9M in expenses (excluding certain one-time acquisition costs in Q1/14)
  - For February & March, trading costs were \$0.9M or ~20% of revenues
  - One-time acquisition costs in the quarter were \$1.2M and are eliminated in pro forma results
- Many OTC derivatives in FX such as options, NDFs and forwards are migrating to exchanges due to Dodd Frank / Basel 3
  - Until now controlled by banks, represents a significant opportunity for a leading non-bank market maker such as Lucid

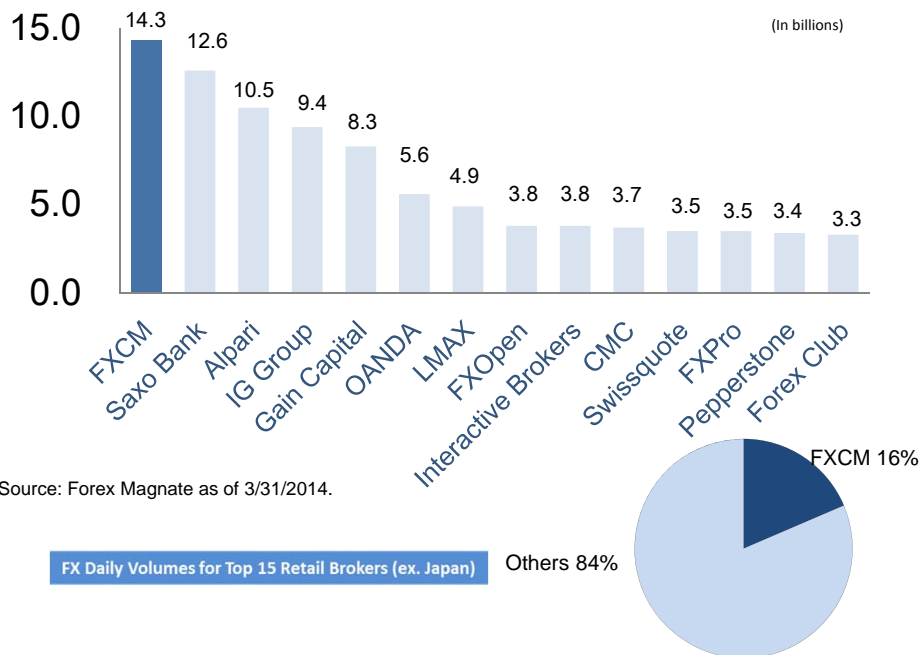


# Skilled and Disciplined Acquiror with Leadership Position



*Proven Acquiror, Well Positioned to Evaluate Opportunities in a Fragmented, but Consolidating Marketplace*

## FX Daily Volumes by Retail Broker (ex. Japan)



Source: Forex Magnate as of 3/31/2014.

FX Daily Volumes for Top 15 Retail Brokers (ex. Japan)

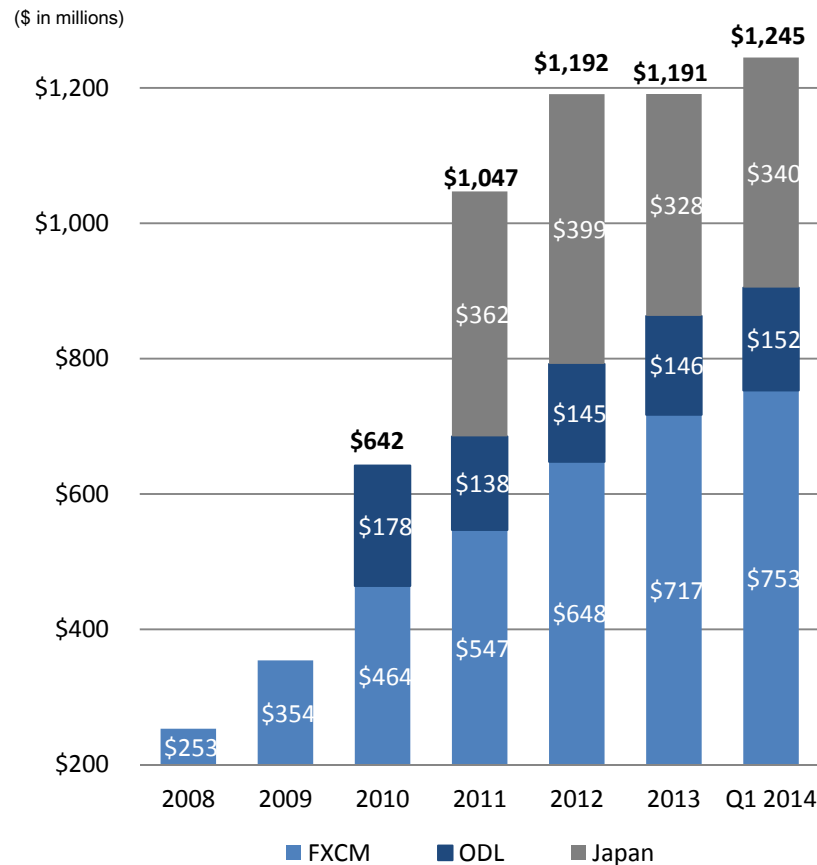
- Need for scale and regulatory changes continue to drive consolidation in key geographies
  - Leverage changes in Japan
  - Potential changes in fund segregation rules in US
- Market conditions are creating M&A opportunities as small/mid sized firms struggle to keep up

- ODL Group Limited – October 2010
  - #3 player in the UK
  - Strong CFD business
  - Purchased for appx. \$54MM; <4x EBITDA
- FXCM Japan – March 2011
  - Long-time White Label of FXCM
  - Purchased for \$5MM in cash; <2x EBITDA
- Foreland FX – October 2011
  - Japanese business with loyal customer base
  - Purchased for \$17MM in cash; 2x Projected 2012 EBITDA
- Lucid Markets – June 2012
  - Leading non-bank, electronic market making and trading firm in the institutional foreign exchange market
  - 50.1% purchased for \$178MM (\$91MM in stock & \$87MM in cash); <3.5x 2011 EBITDA
- V3 Markets – February 2014
  - Together with principals of Lucid acquired selected assets of Infinium Capital Holdings LLC and affiliates
  - New venture to be called V3 Markets
  - Purchase price included approx. \$11.9MM owed by Infinium to FXCM and the Lucid principals – February 2014

# Strong Growth in Customer Equity



## Customer Cash Balance



FXCM has 5 times the client equity today than in 2008 when it achieved record results

# Cost Discipline



## FXCM Inc. Operating Costs

Adjusted proforma basis; excluding referring broker fees and depreciation & amortization (US\$ millions)

### Consolidated (excl. V3 Markets)

	<u>Q1/14</u>	<u>Q4/13</u>	<u>Q3/13</u>	<u>Q2/13</u>	<u>Q1/13</u>	<u>Q4/12</u>	<u>Q3/12</u>
Compensation Expense							
Marketing Expense	26.3	24.0	23.2	24.5	21.5	21.6	22.0
Tech & Comm	6.5	7.3	6.3	6.2	7.4	7.6	7.5
Trading Costs	10.2	10.2	10.1	9.8	8.4	10.5	9.6
G&A	7.4	7.1	6.8	9.0	7.9	6.7	6.9
	12.1	12.5	13.0	13.4	12.5	14.2	12.9
	<u>62.4</u>	<u>61.1</u>	<u>59.4</u>	<u>62.8</u>	<u>57.6</u>	<u>60.6</u>	<u>59.0</u>

### V3 Markets

	<u>Q1/14</u>
Compensation Expense	1.4
Marketing Expense	-
Tech & Comm	1.8
Trading Costs	0.9
G&A	0.8
	<u>4.9</u>

### Consolidated

	<u>Q1/14</u>
Compensation Expense	27.7
Marketing Expense	6.5
Tech & Comm	12.0
Trading Costs	8.2
G&A	12.9
	<u>67.3</u>

- A number of initiatives set for 2014 should accelerate organic growth
- Historically quiet trading environment should lead to opportunities for players with scale like FXCM
- We remain optimistic on opportunities to expand platform via accretive acquisitions in 2014
- Longer term if interest rate differentials were to develop, impact meaningful on FXCM results

# Appendix

# Operating Metrics



	Three Months Ended										
	March 31, 2014	December 31, 2013	September 30, 2013	June 30, 2013	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
	(Dollars in thousands, except as noted)										
Net Tradable Account Additions <sup>(1)</sup>	1,133	(858)	(2,010)	4,631	5,412	(12,177)	(2,717)	4,401	2,104	23,287	181
Total Tradable Accounts <sup>(2)</sup>	189,263	188,130	188,988	190,998	195,629	190,217	202,394	205,111	196,710	194,606	171,319
Total Active Accounts <sup>(3)</sup>	181,156	183,679	182,146	182,225	173,265	170,930	171,274	174,218	171,296	163,094	156,053
Total Customer Trading Volume (dollars in billions)	936	895	980	1,151	1,041	886	861	869	985	973	1,042
Trading Days in Period	63	64	66	65	63	64	65	65	65	65	66
Daily Average Trades	413,912	378,315	417,845	516,960	437,813	366,015	345,790	367,051	379,289	423,413	438,599
Daily Average Trades per Active Account <sup>(4)</sup>	2.3	2.1	2.3	2.8	2.5	2.1	2.0	2.1	2.2	2.7	2.8
Retail Trading Revenue per Million Traded	\$88	\$93	\$89	\$90	\$88	\$95	\$99	\$90	\$94	\$98	\$93
Total Customer Equity (dollars in millions)	\$1,245.3	\$1,190.9	\$1,264.3	\$1,171.5	\$1,190.4	\$1,190.8	\$1,278.4	\$1,254.7	\$1,135.9	\$1,047.0	\$828.2
Customer Trading Volume by Region (dollars in billions)											
-Asia	373	384	462	519	476	401	421	387	490	\$ 459	\$ 461
-EMEA	336	305	293	360	311	283	260	275	272	271	316
-United States	118	97	123	148	138	86	92	101	95	112	124
-Rest of World	<u>109</u>	<u>108</u>	<u>101</u>	<u>124</u>	<u>116</u>	<u>116</u>	<u>89</u>	<u>106</u>	<u>128</u>	<u>131</u>	<u>141</u>
Total	<b>\$936</b>	<b>\$895</b>	<b>\$980</b>	<b>\$1,151</b>	<b>\$1,041</b>	<b>\$ 886</b>	<b>\$ 861</b>	<b>\$ 869</b>	<b>\$ 985</b>	<b>\$ 973</b>	<b>\$ 1,042</b>

<sup>(1)</sup> Net account additions represents new accounts funded less accounts closed by our customers.

<sup>(2)</sup> A tradable account represents an account with sufficient funds to place a trade in accordance with firm policies.

<sup>(3)</sup> An active account represents an account that has traded at least once in the previous 12 months.

<sup>(4)</sup> Daily average trades per active account represents the total daily average trades per average active account in the period.



# Reconciliation of Adjusted Pro Forma Results to

## U.S. GAAP – 3 Months Ended March 31, 2014 and 2013

(000's except per share amounts, unaudited)



	Three Months Ended March 31,					
	2014			2013		
	As Reported	Adjustments	Adjusted Pro Forma	As Reported	Adjustments	Adjusted Pro Forma
<b>Revenues</b>						
Retail trading revenue	\$ 82,660	\$ -	\$ 82,660	\$ 91,254	\$ -	\$ 91,254
Institutional trading revenue	26,150	-	26,150	27,556	-	27,556
Trading revenue	108,810	-	108,810	118,810	-	118,810
Interest income	563	-	563	679	-	679
Brokerage interest expense	(96)	-	(96)	(55)	-	(55)
Net interest income	467	-	467	624	-	624
Other operating income	5,731	(3,672) <sup>(1)</sup>	2,059	3,430	-	3,430
<b>Total net revenues</b>	<b>115,008</b>	<b>(3,672)</b>	<b>111,336</b>	<b>122,864</b>	<b>-</b>	<b>122,864</b>
<b>Operating Expenses</b>						
Compensation and benefits	29,890	(2,174) <sup>(2)</sup>	27,716	23,533	(2,062) <sup>(9)</sup>	21,471
Allocation of net income to Lucid members for services provided	2,973	(2,973) <sup>(3)</sup>	-	-	-	-
Total compensation and benefits	32,863	(5,147)	27,716	23,533	(2,062)	21,471
Referring broker fees	19,122	-	19,122	21,350	-	21,350
Advertising and marketing	6,497	-	6,497	7,351	-	7,351
Communication and technology	12,219	(206) <sup>(4)</sup>	12,013	8,355	-	8,355
Trading costs, prime brokerage and clearing fees	8,206	-	8,206	7,938	-	7,938
General and administrative	16,068	(3,200) <sup>(5)</sup>	12,868	12,471	-	12,471
Depreciation and amortization	12,630	-	12,630	11,974	-	11,974
Total operating expenses	107,605	(8,553)	99,052	92,972	(2,062)	90,910
<b>Total operating income</b>	<b>7,403</b>	<b>4,881</b>	<b>12,284</b>	<b>29,892</b>	<b>2,062</b>	<b>31,954</b>
Loss on equity method investments, net	310	-	310	148	-	148
Interest on borrowings	2,997	-	2,997	817	-	817
<b>Income before income taxes</b>	<b>4,096</b>	<b>4,881</b>	<b>8,977</b>	<b>28,927</b>	<b>2,062</b>	<b>30,989</b>
Income tax provision	1,251	928 <sup>(6)</sup>	2,179	7,959	1,637 <sup>(6)</sup>	9,596
<b>Net income</b>	<b>2,845</b>	<b>3,953</b>	<b>6,798</b>	<b>20,968</b>	<b>425</b>	<b>21,393</b>
Net income attributable to non-controlling interest in FXCM Holdings, LLC	2,427	(2,427) <sup>(7)</sup>	-	10,230	(10,230) <sup>(7)</sup>	-
Net income attributable to other non-controlling interests	(1,659)	3,263 <sup>(8)</sup>	1,604	3,878	-	3,878
Net income attributable to FXCM Inc.	\$ 2,077	\$ 3,117	\$ 5,194	\$ 6,860	\$ 10,655	\$ 17,515
Diluted weighted average shares outstanding as reported and pro forma fully exchanged, fully diluted weighted average shares outstanding	43,152		79,766 <sup>(10)</sup>	29,678		75,785 <sup>(10)</sup>
Diluted net income per share as reported and adjusted pro forma net income per fully exchanged, fully diluted weighted average shares outstanding	\$ 0.05		\$ 0.07	\$ 0.23		\$ 0.23

\* See footnotes following

# Reconciliation of Adjusted Pro Forma Results to U.S. GAAP – 3 Months Ended March 31, 2014 and 2013 (footnotes)

(000's except per share amounts, unaudited)



- <sup>(1)</sup> Represents the elimination of a \$3.7 million benefit recorded to reduce the contingent consideration related to the Faros acquisition.
- <sup>(2)</sup> Represents the elimination of \$1.9 million of IPO stock-based compensation and \$0.3 million of compensation cost related to the V3 Markets, LLC ("V3") acquisition.
- <sup>(3)</sup> Represents the reclassification of the 49.9% of Lucid's earnings allocated among the non-controlling interests recorded as compensation for U.S. GAAP purposes to Net income attributable to other non-controlling interests.
- <sup>(4)</sup> Represents the elimination of V3 acquisition costs.
- <sup>(5)</sup> Represents the elimination of \$0.7 million of V3 acquisition costs and \$2.5 million to eliminate an additional reserve established relating to pre-August 2010 trade execution practices in the UK.
- <sup>(6)</sup> Represents an adjustment to reflect the assumed effective corporate tax rate of approximately 24.3% and 31.0% for the three months ended March 31, 2014 and 2013, respectively, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state, local and/or foreign jurisdiction. The adjustment assumes full exchange of existing unitholders FXCM Holdings, LLC ("Holdings") units for shares of Class A common stock of the Company and reflects the tax effect of any proforma adjustments.
- <sup>(7)</sup> Represents the elimination of the non-controlling interest associated with the ownership by existing unitholders of Holdings (excluding FXCM, Inc.), as if the unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.
- <sup>(8)</sup> Represents the reclassification of the 49.9% of Lucid's earnings allocated among the non-controlling interests recorded as compensation for U.S. GAAP purposes to Net income attributable to other non-controlling interests and the impact of other proforma adjustments impacting non-controlling interests.
- <sup>(9)</sup> Represents the elimination of stock-based compensation associated with the IPO.
- <sup>(10)</sup> Diluted shares assuming all unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.

# Reconciliation of Non-GAAP Measures to Nearest GAAP Results – 3 Months Ended March 31, 2014 and 2013



(000's except per share amounts, unaudited)

**FXCM Inc.**

**Reconciliation of Non-GAAP Measures to Nearest GAAP Results  
(In thousands)  
(Unaudited )**

**GAAP Net income attributable to FXCM Inc.**

Contingent Consideration - Faros Follow -On Payment

IPO Stock Options

V3 Acquisition related costs

Additional Reserve for UK pre August 2010 trade execution practices

Non-Controlling interest Adjustments related to the above adjustments

FXCM Holdings Conversion

Tax adjustments related to the above

**Non GAAP Adjusted Proforma Net Income**

All other stock compensation

Amortization

Non-Controlling interest Adjustments related to the above adjustments

Tax adjustments related to the above

**Non GAAP Adjusted Proforma Net Income excluding other stock compensation and amortization**

**GAAP Weighted average Class A shares outstanding - Diluted**

FXCM Holdings Conversion

**Non GAAP Weighted average Proforma shares outstanding - Diluted**

**GAAP Net Income per Class A Share -Diluted**

**Non GAAP Adjusted Proforma Net Income per Proforma Share - Diluted**

**Non GAAP Adjusted Proforma Net Income excluding other stock compensation and amortization per Proforma Share - Diluted**

	<b>Three Months Ended March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>\$ 2,077</b>	<b>\$ 6,860</b>
	(3,672) <sup>(1)</sup>	- <sup>(1)</sup>
	1,902 <sup>(2)</sup>	2,062 <sup>(2)</sup>
	1,213 <sup>(3)</sup>	-
	2,465 <sup>(4)</sup>	-
	(290)	-
	2,427 <sup>(6)</sup>	10,230 <sup>(6)</sup>
	(928) <sup>(5)</sup>	(1,637) <sup>(5)</sup>
	<b>\$ 5,194</b>	<b>\$ 17,515</b>
	1,310	1,166
	6,981	7,027
	(3,284)	(3,029)
	(1,154) <sup>(5)</sup>	(1,480) <sup>(5)</sup>
	<b>\$ 9,047</b>	<b>\$ 21,199</b>
	<b>43,152</b>	<b>29,678</b>
	36,614 <sup>(7)</sup>	46,107 <sup>(7)</sup>
	<b>79,766</b>	<b>75,785</b>
	<b>\$ 0.05</b>	<b>\$ 0.23</b>
	<b>\$ 0.07</b>	<b>\$ 0.23</b>
	<b>\$ 0.11</b>	<b>\$ 0.28</b>

# Reconciliation of Non-GAAP Measures to Nearest GAAP Results – 3 Months Ended March 31, 2014 and 2013

(footnotes) (000's except per share amounts, unaudited)



- (1) Represents the elimination of a \$3.7 million benefit recorded to reduce the contingent consideration related to the Faros acquisition.
- (2) Represents the elimination of stock-based compensation associated with the IPO.
- (3) Represents the elimination of V3 acquisition costs.
- (4) Represents the elimination of an additional reserve established relating to pre-August 2010 trade execution practices.
- (5) Represents an adjustment to reflect the assumed effective corporate tax rate of approximately 24.3% and 31.0% for the three months ended March 31, 2014 and 2013, respectively, which includes a provision for U.S. federal income taxes and assumes the highest statutory rates apportioned to each state, local and/or foreign jurisdiction. The adjustment assumes full exchange of existing unitholders FXCM Holdings, LLC ("Holdings") units for shares of Class A common stock of the Company and reflects the tax effect of any proforma adjustments.
- (6) Represents the elimination of the non-controlling interest associated with the ownership by existing unitholders of Holdings (excluding FXCM, Inc.), as if the unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.
- (7) Diluted shares assuming all unitholders had fully exchanged their Holdings units for shares of Class A common stock of the Company.

## As of 3/31/14:

- FXCM effectively has 81.8 million shares outstanding (45.8 million shares outstanding at FXCM Inc. and 35.9 million FXCM Holdings LLC units exchangeable 1-1 into FXCM Inc. Class A shares)
  - FXCM Inc. owns 56.1% of FXCM Holdings LLC
  - At \$14.77 closing price on 3/31/14 would imply a market capitalization of \$1.2 billion